

# SEYFARTH, SHAW, FAIRWEATHER & GERALDSON

ATTORNEYS AT LAW

815 CONNECTICUT AVENUE, N.W.  
WASHINGTON, DC 20006-4004  
(202) 463-2400  
FAX (202) 828-5393

ONE CENTURY PLAZA - SUITE 3300  
2029 CENTURY PARK EAST  
LOS ANGELES, CA 90067-3063  
(310) 277-7200  
FAX (310) 201-5219

767 THIRD AVENUE  
NEW YORK, NY 10017-2013  
(212) 715-9000  
FAX (212) 752-3116

101 CALIFORNIA STREET - SUITE 2900  
SAN FRANCISCO, CA 94111-5858  
(415) 397-2823  
FAX (415) 397-8549

770 L STREET - SUITE 1150  
SACRAMENTO, CA 95814-3325  
(916) 446-3970  
FAX (916) 446-4214

55 EAST MONROE STREET - SUITE 4200

CHICAGO, ILLINOIS 60603-5803

(312) 346-8000

FAX (312) 269-8869

WRITER'S DIRECT DIAL

(312) \_\_\_\_\_

INTERNATIONAL

AVENUE LOUISE 500, BOÎTE 8  
1050 BRUSSELS, BELGIUM  
TELEPHONE (32) (2) 647.60.25  
FAX (32) (2) 640.70.71

AFFILIATE FIRMS

MATHEWS, DINSDALE & CLARK  
TORONTO, CANADA

MATRAY, MATRAY & HALLET  
BRUSSELS AND LIEGE, BELGIUM  
COLOGNE, GERMANY

2-197A026

July 14, 1992

VIA FEDERAL EXPRESS

Mr. Sidney L. Strickland, Jr.  
Secretary  
Interstate Commerce Commission  
Room 2303  
12th and Constitution N.W.  
Washington, D.C. 20423

17891  
JUL 15 1992-2 38 PM  
INTERSTATE COMMERCE COMMISSION

Attention: Mrs. Mildred R. Lee/DOCUMENTS FOR RECORDATION

Dear Mr. Strickland:

I am an attorney representing a party to the enclosed memorandum of lien.

I have enclosed four original counterparts of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code and the regulations adopted thereto.

The document is a Memorandum of Lien, a primary document, dated July 1, 1992.

The names and addresses to the parties to the document are as follows:

Borrower:

H&S Railroad Company, Inc.  
401 Henley Street  
Suite 5  
Knoxville, Tennessee 37902

Lender:

Short Line Investment Corporation  
33 West Monroe Street  
Suite 2400  
Chicago, Illinois 60603

JUL 15 2 20 PM '92  
FEDERAL EXPRESS

SEYFARTH, SHAW, FAIRWEATHER & GERALDSON

Mr. Sidney L. Strickland, Jr.

July 14, 1992

A description of the equipment covered by this document follows:

All of the locomotives, cabooses, freight cars and other railroad rolling stock of Borrower.

A fee of \$16.00 is enclosed. Please return the original and any extra counterparts not needed by the commission for recordation and the enclosed copy of this letter, each stamped with your recordation number to:

Richard Demarest Yant  
Seyfarth, Shaw, Fairweather & Geraldson  
Suite 4200  
55 East Monroe Street  
Chicago, Illinois 60603

A short summary of the document to appear in the index follows:

Memorandum of Lien between H&S Railroad Company, Inc., an Alabama corporation, 401 Henley Street, Suite 5, Knoxville, Tennessee 37902 ("Borrower") and Short Line Investment Corporation, a Delaware corporation, 33 W. Monroe Street, Chicago, Illinois 60603 ("Lender"), covering all locomotives, cabooses, freight cars and other railroad rolling stock of Borrower.

Very truly yours,

SEYFARTH, SHAW, FAIRWEATHER & GERALDSON

By

  
Richard Demarest Yant

RDY:lm  
encl.

cc: Mr. Pete Claussen  
Mr. Winston I. Lowe  
Mr. Theodore F. Weiland

7/16/92

**Interstate Commerce Commission**  
Washington, D.C. 20423

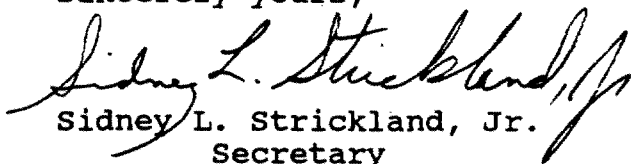
OFFICE OF THE SECRETARY

Richard Demarest Yant  
Seyfarth, Shaw Fairweather & Geraldson  
Suite 4200 55 E. Monroe St.  
Chicago, IL. 60603

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/15/92 at 2:35pm, and assigned recordation number(s). 17891

Sincerely yours,

  
Sidney L. Strickland, Jr.  
Secretary

0813Y  
6/26/92

17891  
RECORDED NO. \_\_\_\_\_ FILED 143

JUL 1 5 1992 4:05 PM

MEMORANDUM OF LIEN INTERSTATE COMMERCE COMMISSION

This Memorandum of Lien is made and entered into as of July 1, 1992, by and between H&S Railroad Company, Inc., an Alabama corporation ("Borrower") and Short Line Investment Corporation, a Delaware corporation ("Lender").

1. Lender has made a loan to Borrower pursuant to a Loan and Security Agreement, a Note and certain other documents, all of even date herewith, referred to, executed and delivered pursuant thereto (collectively, the "Loan Documents").

2. The term of the Note is 30 years and the Note matures on July 1, 2022.

3. The Loan Documents grant to Lender a security interest in substantially all of the assets of Borrower, including without limitation, all of the locomotives, cabooses, freight cars and other railroad rolling stock of Borrower.

IN WITNESS WHEREOF, the parties have executed this instrument as of the day and year first above written.

H&S RAILROAD COMPANY, INC.

By: 

Title: President

SHORT LINE INVESTMENT CORPORATION

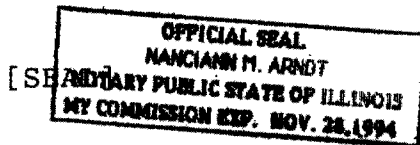
By: 

Title: President

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STATE OF Illinois)  
COUNTY OF Cook) SS.

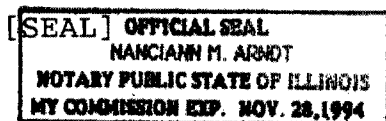
On this 1st day of July, 1992, before me personally appeared P. Clausen, to me personally known, who, being by me duly sworn, says that he is the President of H&S Railroad Company, Inc., an Alabama corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.



Nanciann Arndt  
Notary Public

STATE OF Illinois)  
COUNTY OF Cook) SS.

On this 1st day of July, 1992, before me personally appeared T.F. Welland, to me personally known, who, being by me duly sworn, says that he is the President of Short Line Investment Corporation, a Delaware corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.



Nanciann Arndt  
Notary Public